schemes that are going to be taken up by it in Andhra Pradesh?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (c) Under Section 19 of the Banking Regulation Act, 1949, commercial banks can form subsidiary companies for undertaking business which is permissible under the Banking Regulation Act or any business which the Reserve Bank of India may with the prior approval of Central Government consider to be conducive to the spread of banking in India or to be otherwise useful or necessary in public interest. Reserve Bank of India has reported that it has permitted certain banks to float subsidiaries to undertake merchant banking, leasing, housing finance, stock holding and other related activities. The Reserve Bank of India has further reported that it has not permitted any public sector bank to set up subsidiaries for the purpose of undertaking building of major public works such as roads and bridges nor is there any proposal before the Reserve Bank of India to accord such permission to any bank.

The Central Bank of India has, jointly with Unit Trust of India and Housing Development Finance Corporation (HDFC), set up a subsidiary company *viz.*, the Infrastructure Leasing and Financial Services Limited (ILFS). According to the Memorandum and Articles of Association of the company, the company can do leasing against projects such as tollroads, bridges, water cleaning system etc. The Central Bank of India has reported that the ILFS has entered into a contract with the Madhya Pradesh Government to provide finance for the construction of a road being executed by the Madhya Pradesh Government. The bank has further reported that the company has not received any such proposal from the Government of Andhra Pradesh.

Shortage of pig iron and tin in the country

2621. SHRI PASUMPON THA. KIRUTTINAN: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that there is shortage of pig iron and tin in the country and the prices are higher in relation to international market;

(b) if so what are the reasons therefor;

(c) what is the total availability and requirement of pig iron and tin in the country; and

(d) what action has been taken or is proposed to be taken by Government to meet the situation?

THE MINISTER OF ENERGY WITH ADDITIONAL CHARGE OF THE MINISTRY OF CIVIL AVIATION (SHRI ARIF MOHD. KHAN): (a) to (d)

Pig Iron:

Total demand and availability for foundry grade pig iron as assessed by the Development Commissioner for Iron and Steel for the year 1990-91 is 18.30 lakh tonnes and 13.71 lakh tonnes, respectively.

To meet the gap, imports of foundry grade pig iron have been allowed under OGL, for actual users. Production of Pig Iron is delicensed. Pig Iron manufacturing capacities are being encouraged in the secondary sector and it is proposed to create a capacity of 2 million tones of pig iron in the secondary sector by the end of the Eighth Plan.

With 45 per cent *ad-valorem* import duty, the landed price of imported pig iron is about 20 per cent higher the SAIL stock yard price of pig iron.

Tin:

The annual requirement of tin in the country is estimated to be about

3000 tonnes, which is mainly met through imports. Import of tin has also been permitted under OGL by actual users or export/trading houses. There is no reported shortage of tin in the country. Selling price of imported tin is fixed as per international prices; import duties, MMTC charges etc.

Provision in State budgets for writing off loans to farmers

2622. *SHRI VIREN J. SHAH:* Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that many States have not made any provision in their Budgets for writing off loans of farmers as announced in the Central Budget of 1990-91;

(b) if so, what are the names of these States; and

(c) in what manner the Central Government propose to ensure compliance of this scheme by these States?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) Government of India have formulated Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 for providing debt relief to farmers, landless cultivators, artisans and weavers upto Rs. 1000 by public sector banks and regional rural banks. In so far as the banks in cooperative sector are concerned, State Governments have been requested to frame a scheme on similar pattern. As per reports available so far, a majority of State Governments have agreed to formulate schemes for co-operative banks on the lines of the Central Scheme. Thirteen States have submitted their schemes to the Government and National Bank for Agriculture and Rural Development (NABARD). The Schemes are yet to be received, on date, from 12 States, namely Andhra Pradesh Arunachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Manipur Meghalaya, Mizoram, Nagaland, Goa Tripura, Sikkim, and the seven Union Territories

(c) The Central Government would meet the full cost of write off in respect of public sector banks and regional rural banks. In case of cooperative banks, 50 per cent of the cost shall be borne by the Government of India, the remaining 50 per cent would be met by State Governments, and to meet their share, State Cooperative Banks and State Land Development Banks can avail concessional loans from NABARD.

Taking over of sick tea gardens

2623. SHRI VIREN J. SHAH: Will the Minister of COMMERCE be pleased to state:

(a) whether there is any proposal under Government's consideration to take over sick tea gardens to boost exports; and

(b) if so, what is the justification therefor in view of the favourable price conditions in both domestic and international markets?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI ARANGIL SREEDHARAN): (a) No, Sir.

(b) *Does not arise.*

Number of Crop Insurance claims settled by G.I.C.

2624. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government have enlarged the areas of working of the General Insurance Corporation in the field of motivation etc.;

(b) what is the number of crop insurance claims settled by the Corporation during the last three years; and

(c) what are the names of States where this crop insurance scheme is applicable?